



LOCAL 827

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS AFL CIO

263 Ward Street, East Windsor, New Jersey 08520 (609) 443-4100 Tape: (609) 448-0827

R.W.SPEER, President/ Bus. Mgr.
K.S. LANE, Vice President
S.M. WALLIN, Rec. Secretary
G.R.PUZO, JR., Treasurer

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street SW
Washington, DC 20554

Re: **In the Matter of Application of Verizon New Jersey Inc. and Verizon New York Inc. To Discontinue Domestic Telecommunications Services, WC 13-150**

Dear Secretary Dortch:

The International Brotherhood of Electrical Workers Local 827 (“IBEW 827” or the “Union”) represents approximately 4,700 Verizon New Jersey workers. We submit the following comments in opposition to Verizon New York Inc. and Verizon New Jersey Inc.’s (collectively “Verizon”) Application for authorization pursuant to Section 214(a) of the Communications Act and 47 C.F.R. § 63.71 of the Commission’s rules to grandfather and/or discontinue provisions of Verizon’s wireline telecommunications services, including services in parts of New York and New Jersey affected by Superstorm Sandy¹ (“Application”). IBEW 827 has an interest in this proceeding both as the representative of Verizon New Jersey frontline employees who maintain and service its networks and as the representative of working families who are consumers of Verizon New Jersey communications services. IBEW 827 formally requests leave to make an oral presentation to the Commission pursuant to 47 C. F. R. §§ 1.1200 – 1.1216 and all other applicable rules.

¹ See June 7, 2013 Section 63.71 Application filing, cover letter to the Commission from Frederick Moacdieh, Verizon Executive Director for Federal Regulatory Affairs.

IBEW 827 does not object to Verizon's attempt to provide temporary relief to customers affected by Superstorm Sandy who are without service. Verizon's Application, however, reaches beyond temporary relief and requests authorization to permanently replace interstate wireline telecommunications services with Voice Link, a new and unproven wireless technology. Voice Link² is, for lack of a better term, a modified cell phone connected to a box tethered to a customer's home or business. A permanent and total migration from a century's proven wireline services to an unknown wireless quantity exposes the communities where our members live and work, including both commercial and residential customers, to unnecessary and needless hazards. Beyond the inconvenience and expense customers will incur in replacing equipment, customers will be recklessly exposed to security and health risks. Voice Link does not support numerous services long supported by the wireline network, including essential security and commercial services, as well as vital medical and emergency services.

Verizon's economic reasons for implementing Voice Link should not be accepted by the Commission to justify the tremendous risk of significant harm to the public. Verizon's economic concerns ring hollow considering that the company has posted double-digit earnings growth in five of the last six quarters and has increased its *net profit* in 2Q 2013 to \$5.198 billion, a 21.3% increase from last year³ while aggressively laying off employees responsible for the maintenance and repair of its wireline network.

² Voice Link uses Verizon Wireless' wireless technology to deliver voice service to customers. Voice Link uses a common wireless technology via a special "modem" that is installed and connected to a phone jack in the home. This powers all of the jacks in the home so a standard telephone can be connected to any jack to make phone calls. The signal leaves the home via the Voice Link unit and is sent wirelessly to cell towers and then to the rest of the network. See Verizon Public Policy – Verizon Policy Blog, *Setting the Record Straight on Fire Island and Voice Link*, <http://publicpolicy.verizon.com/blog/entry/setting-the-record-straight-on-fire-island-and-voice-link>

³ http://www22.verizon.com/investor/DocServlet?doc=2013_2q_qb_vz.pdf

1. Voice Link is Not a Viable Alternative or Substitute For Basic Wireline Services. Indeed, Voice Link is Not a Safe, Adequate, or Proper Substitute For Existing Services.

Verizon openly concedes Voice Link's limitations in its Verizon Voice Link Terms of Service agreement⁴. The agreement states⁵:

- Voice Link is not compatible with fax machines, DVR services, credit card machines, medical alert or other monitoring services or some High Speed or DSL internet services.
- Voice Link may not be compatible with certain monitored home security systems.
- Voice Link requires 10-digit dialing.
- Voice Link does not allow the Customer to make 500, 700, 900, 950, 976, 0, 00, 01, 0+, calling card or dial-around calls (e.g., 10-10-XXXX).
- Voice Link does not allow the Customer to accept collect calls or third number billed calls.
- Verizon will not bill any charges on behalf of other carriers.
- Voice Link requires Customers to have an International Calling Plan in order to make international calls.
- Voice Link is dependent upon and subject to, the availability of adequate wireless coverage throughout the Customer's home, and is not available in all locations.
- Voice Link provides a rechargeable battery back-up that only provides up to 36 hours of standby power with 2.5 hours of talk time in the event of a commercial power outage. A power outage or failure may also require the Customer to reset or reconfigure the equipment prior to being able to use the service.

Arguably the most troubling limitation of the Voice Link service is that it does not provide reliable 911 Emergency services. Contrary to Verizon's claim that Voice Link offers the same 911 Emergency capabilities as a traditional wireline service, Voice Link's emergency

⁴ See Verizon Voice Link Terms of Service filed with the New York State Public Service Commission by Joseph A. Post, Verizon counsel on May 20, 2013 attached as Exhibit "A."

⁵ See Chart Comparison of Plain Old Telephone Service (POTS) vs Verizon Voice Link Wireless, <http://teletruth.org/POTSvsVoiceLink.pdf>, attached as Exhibit "B."

calling capabilities are subject to and limited by the same constraints as cell phones – that is network congestion and/or reduced routing or processing speed. After the next natural disaster strikes, Voice Link customers' service will now be subject to outages from commercial power providers rather than the protections afforded the traditional wireline service with its independent power supply.

Additionally, any service outage due to a suspension of a Customer's account with Verizon due to billing issues will prevent *all* service including restricting the capability to utilize any emergency response services. In fact, Verizon's terms of service indicates that 911 Emergency calls may not be connected and a 911 Emergency service operator may not be able to verify the location from which the call was made – a feature that is standard on wireline based telephone system.⁶ Verizon simply glosses over these critical restrictions including the catastrophic potential for total loss of all emergency capabilities. Customers facing the next super storm or other disaster (natural or otherwise) with Voice Link will have to do so without access to 911 emergency services.

Moreover, customers are subject to additional financial burdens never incurred with traditional wireline services including: (1) replacing the back-up battery after one year of service at an unknown cost; (2) repairing damage for undefined misuse or abuse of the device; (3) payment upon termination of service for undefined "wear and tear" or not returning the device within 30 days. The potential financial burden of these new costs is not disclosed by Verizon.

2. Voice Link Is Merely Used As A Means To Escape Financial Burdens.

⁶ See Verizon Voice Link Terms of Service filed with the New York State Public Service Commission by Joseph A. Post, Verizon counsel on May 20, 2013 attached as Exhibit "A."

Through the use of Superstorm Sandy as its proposed rationalization, Verizon is attempting to find a method to effectively eliminate the copper wireline service. Verizon is attempting to impose an inferior product on consumers without fully recognizing the detriments of implementing such plan. There is no justification for Verizon's desires to implement Voice Link other than for the mere potential for company financial profitability. Verizon's proposal tied to the backbone of a national disaster should not serve as a means to enhance their chances of financial growth.

Instead of repairing the problems, Verizon is attempting to place blame on the damage caused by Superstorm Sandy as a platform of forcing consumers to accept Voice Link as their only alternative. In fact, Lowell McAdam, Chairman & CEO of Verizon had plans in place to terminate the copper wireline system prior even prior to the October 25, 2012 devastation of Superstorm Sandy stating:

"But the vision that I have is we are going into the copper plant areas and every place we have FiOS, we are going to kill the copper. We are going to just take it out of service and we are going to move those services onto FiOS. We have got parallel networks in way too many places now, so that is a pot of gold in my view.

And then in other areas that are more rural and more sparsely populated, we have got LTE built that will handle all of those services and so we are going to cut the copper off there. We are going to do it over wireless. So I am going to be really shrinking the amount of copper we have out there and then I can focus the investment on that to improve the performance of it. So there [are] lots of opportunities there and FiOS is continuing to do very well so we can grow the top line through FiOS and we can leverage the cost efficiencies on the network side. So margins can improve⁷."

In fact, Voice Link was not the first time that Verizon has attempted to eliminate the copper wireline service:

⁷ See Thomson Reuters StreetEvents Edited Transcript, Guggenheim Securities Symposium, June 21, 2012.

"Every place we have FiOS, we are going to kill the copper," Verizon CEO Lowell McAdam recently told attendees of an investor conference. "We are going to just take it out of service. Areas that are more rural and more sparsely populated, we have got LTE built that will handle all of those services and so we are going to cut the copper off there⁸."

Additionally, at the height of Superstorm Sandy's restoration efforts, Verizon attempted to lay off some 200 Facility Technicians in January of 2013. With the assistance of the New Jersey State Board of Public Utilities, that layoff attempt was abandoned by Verizon. Thereafter, in May of 2013, Verizon attempted another layoff, this time successfully laying off 75 employees, many of whose jobs were Facility Technician positions with Verizon which meant that less Hurricane restoration work could be done as well as a slowdown in FiOS expansion work which the Company has also limited in recent months because of monetary considerations of capital investment. Indeed, Voice Link is simply another attempt by Verizon to maximize profits at the expense of not only its customers, but its own employees who can and should be continued to be used for copper wire maintenance and repair.

Verizon's reckless grab for additional profits at the expense of its employees and consumers is troubling when reviewing its recent earnings released on July 18, 2013. The company reported: "A healthy profit for the second quarter of \$2.25 billion. The net income, 78 cents a share, was up 23.1 percent from the same quarter a year earlier. Revenue climbed 4.3 percent to \$29.8 billion."⁹ With respect to its wireline business, consumer revenues were \$3.6 billion, an increase of 4.7 percent compared with second-quarter 2012. Consumer ARPU¹⁰ for wireline services increased to \$109.67 in second-quarter 2013, up 9.4 percent compared with

⁸ See "Verizon Is Killing Off DSL, Union Labor and Rural Users In One Fell Swoop," Daily Kos, July 27, 2012, <http://www.dailykos.com/story/2012/07/27/1114306/-Verizon-Is-Killing-Off-DSL-Union-Labor-and-Rural-Users-In-One-Fell-Swoop#>

⁹ http://www.nytimes.com/2013/07/19/technology/verizon-profit-climbs-23-percent.html?_r=0

¹⁰ Average Revenue Per User

second-quarter 2012¹¹. Against these enormous and growing profits, Verizon speciously claims that it cannot support a crucial wireline network.

As stated above, Verizon's position that Voice Link provides a "reliable alternative" to the traditional copper based wireline system is patently false. Verizon concedes in its own documents that Voice Link customers will not be able to use fax machines to transmit documents or rely on their security systems to protect their homes from fires, burglary, or other emergency situations. Customers will permanently be prevented from utilizing health monitoring systems or dependable 911 services during an emergency. Customers will permanently be prevented from utilizing a reliable means of communication during power outages when the need for communication is at its highest.

Instead, customers will be subject to the instability that many face when using cell phones where dropped calls and black out areas are commonplace and during times of emergency or crisis, these devices are oftentimes rendered useless due to network congestion and bandwidth limitations. Voice Link shifts the financial burden to the customer and for the first time, imposes the obligation to provide the cost of providing electricity and replacement batteries to the customer.

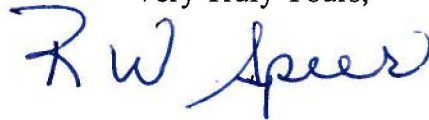
Verizon must not be permitted to avoid its obligations to support and maintain a wireline network under the guise of responding to a national catastrophe, Superstorm Sandy. A permanent migration of wireline to wireless services is harmful to the communities Verizon serves. For these and all of the foregoing reasons, Verizon's application must be denied. IBEW

¹¹http://www22.verizon.com/investor/news_verizon_reports_doubledigit_earnings_growth_in_2q_2013_07182013.htm

827 also requests leave to submit an oral presentation to the Commission pursuant to 47 C. F. R.

§§ 1.1200 – 1.1216 and all other applicable rules.

Very Truly Yours,

A handwritten signature in blue ink, appearing to read "R W Speer". The signature is fluid and cursive, with the first name "R" being large and stylized, followed by "W" and "Speer".

Robert Speer, President/Business Manager
IBEW Local 827